

CITY OF RENTON, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF RENTON, WASHINGTON, AMENDING SECTION 4-1-190 OF CHAPTER 1, ADMINISTRATION AND ENFORCEMENT, OF TITLE IV (DEVELOPMENT REGULATIONS) OF ORDINANCE NO. 4260 ENTITLED “CODE OF GENERAL ORDINANCES OF THE CITY OF RENTON, WASHINGTON”, BY REPEALING SECTION 4-1-190 AND REPLACING IT WITH A NEW SECTION 4-1-190, ENTITLED “IMPACT FEES”, AUTHORIZING THE COLLECTION OF IMPACT FEES FOR TRANSPORTATION, PARKS, AND FIRE PROTECTION; PROVIDING FINDINGS AND DEFINITIONS; PROVIDING FOR THE TIME OF PAYMENT; PROVIDING EXEMPTIONS AND CREDITS; PROVIDING FOR THE ESTABLISHMENT OF IMPACT FEE ACCOUNTS, REFUNDS AND THE USE OF FUNDS; PROVIDING FEE SCHEDULES FOR IMPACT FEES FOR TRANSPORTATION, PARKS AND FIRE PROTECTION; PROVIDING FOR REVIEWS AND ADJUSTMENTS OF FEE SCHEDULES; AUTHORIZING INDEPENDENT FEE CALCULATIONS; AND SETTING A FEE FOR APPEALS.

WHEREAS, the Renton City Council (the "Council") finds that new growth and development in the City of Renton (the “City”) will create additional demand and need for public facilities; and

WHEREAS, in the Revised Code of Washington (“RCW”) 82.02.050(1), the Legislature has stated that its intent is to allow the cities to require new growth and development within their boundaries to pay a proportionate share of the cost of system improvements to serve such new development activity through the assessment of impact fees for transportation, parks and fire protection; and

WHEREAS, in RCW 82.02.050(2), the Legislature has authorized cities to impose impact fees subject to the requirements of RCW 82.02.050(3) and (4); and

WHEREAS, RCW 82.020.050(1)(b) and RCW 82.020.060 provide that the City may enact a local ordinance providing for impact fees and the limitations and/or extent that that local ordinance can provide for the impact fees; and

WHEREAS, RCW 82.020.070(2) provides that Impact Fees shall be expended only in conformance with the capital facilities plan element of the comprehensive plan; and

WHEREAS, RCW 82.02.090(3) defines “Impact Fee” as a payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development, but not a reasonable permit or application fee; and

WHEREAS, RCW 82.02.090(7) defines “Public Facilities” as public streets and roads; publicly owned parks, open space, and recreation facilities; school facilities; and fire protection facilities; and

WHEREAS, RCW 58.17.060(1) provides that a city shall adopt by ordinance regulations and procedures, and appoint administrative personnel for the summary approval of short plats and short subdivisions or alteration or vacation thereof only if the administrative personnel make appropriate written findings consistent with RCW 58.17.110; and

WHEREAS, RCW 58.17.110(2) requires that the Council make written findings that appropriate provisions are made for the public health, safety and general welfare, including but not limited to safe walking conditions for students who only walk to and from school; and that the public use and interest will be served by the platting of such subdivision and dedication; and

WHEREAS, the Council finds that it is in the public interest, and consistent with the intent and purposes of the Growth Management Act, RCW 36.70A *et seq.*, and consistent with

RCW 82.02.060(1) for the City to adopt impact fees which are uniform to the greatest extent practicable; and

WHEREAS, the Council has determined that the City is composed of one zone for purposes of assessing impact fees for transportation, parks and fire protection; and

WHEREAS, the City has conducted extensive research documenting the procedures for measuring the impact of new growth and development on public facilities, and has prepared the Rate Study which serves as the basis for the actions taken by the Council. That research is reflected in "Rate Study for Impact Fees for Transportation, Parks and Fire Protection," City of Renton, dated August 26, 2011 ("Rate Study"); and

WHEREAS, in developing the impact fees for public facilities contained in this ordinance, the City has provided adjustments for past and future taxes paid or to be paid by new growth and development, which are earmarked or proratable to the same new public facilities that will serve the new growth and development; and

WHEREAS, the Council hereby incorporates the Rate Study into this ordinance, attached to as Exhibit 1. The Rate Study utilizes a methodology for calculating impact fees which incorporates, among other things, all of the RCW 82.02.060(1) impact fee requirements; and

WHEREAS, the City conducted briefings for the Planning Commission, Parks Commission and external stakeholders;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RENTON, WASHINGTON, DOES ORDAIN AS FOLLOWS:

SECTION I. Section 4-1-190, Mitigation Fees, of Chapter 1, Administration and Enforcement, of Title IV (Development Regulations) of Ordinance No. 4260 entitled "Code of

General Ordinances of the City of Renton, Washington”, is hereby repealed effective January 1, 2013, and replaced with the following language:

4-1-190 IMPACT FEES:

A. TITLE:

This section shall be hereinafter known as Impact Fees.

B. PURPOSE AND INTENT:

The purpose and intent of this section is to authorize the collection of impact fees for transportation, parks and fire protection, and providing for certain other matters in connection therewith.

C. FINDINGS AND AUTHORITY:

The Renton City Council (hereinafter referred to as “Council”) hereby finds and determines that development activities, including but not limited to new residential, commercial, retail, office, and industrial development in the City of Renton (hereinafter referred to as “City”) will create additional demand and need for system improvements in the City, and the Council finds that such new growth and development should pay a proportionate share of the cost of system improvements needed to serve the new growth and development.

In the “Rate Study for Impact Fees for Transportation, Parks and Fire Protection,” City of Renton, dated August 26, 2011 (“Rate Study”), hereby incorporated by this reference, the City has documented its extensive research concerning the procedures for measuring the impact of new developments on public facilities.

The Rate Study utilizes methodologies for calculating impact fees that are consistent with the requirements of RCW 82.02.060(1). A copy of the most current version of the Rate Study shall be kept on file by the Renton City Clerk and will be available to the public for review.

Therefore, pursuant to Chapter 82.02 RCW, the Council adopts this section to assess impact fees for transportation, parks and fire protection. The provisions of this section shall be liberally construed in order to carry out the purposes of the Council in providing for the assessment of impact fees.

D. DEFINITIONS:

The words and terms defined below shall have the following meanings for the purposes of this section, unless the context clearly requires otherwise. Terms otherwise not defined herein shall be defined pursuant to RCW 82.02.090, or given their usual and customary meaning.

1. "Administrator" means the Administrator or designee of the Department of Community and Economic Development.
2. "Building Permit" means an official document or certification which is issued by the City and which authorizes the construction, alteration, enlargement, conversion, reconstruction, remodeling, rehabilitation, erection, demolition, moving, or repair of a building or structure or any portions thereof.
3. "Capital Facilities Plan" means the capital facilities element of the City's Comprehensive Plan adopted pursuant to RCW 36.70A and such plan as amended.

4. "City" means the City of Renton.
5. "Council" means the Renton City Council.
6. "Department" means the City's Department of Community and Economic Development.
7. "Development Activity" means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land, that generates the need for additional public facilities.
8. "Development Approval" means any written authorization from the City of Renton which authorizes the commencement of a development activity.
9. "Encumbered" means to reserve, set aside, or otherwise earmark impact fees in order to pay for commitments, contractual obligations, or other liabilities incurred for system improvements.
10. "Feepayer" is any person, collection of persons, or department or bureau of any governmental entity or municipal corporation commencing a development activity which creates the demand for additional system improvements and which requires the issuance of a building permit or a permit for a change of use. Feepayer includes an applicant for an impact fee credit.
11. "Fire protection" shall mean fire protection facilities, including but not limited to fire stations, fire apparatus, and any furnishings and equipment that can be capitalized.

12. "Hearing Examiner" shall mean that person or persons acting as the Renton Hearing Examiner.

13. "Impact Fee" means a payment of money imposed by the City of Renton on development activity pursuant to this section as a condition of granting development approval. An impact fee does not include a reasonable permit fee, an application fee, the administrative fee for collecting and handling impact fees, the fee for reviewing independent fee calculations, or the fee for deferring payment of impact fees.

14. "Impact Fee Account(s)" means the separate accounting structure(s) within the City's established accounts which structure(s) shall identify separately earmarked funds and which shall be established for the impact fees that are collected. The account(s) shall be established pursuant to subsection 4-1-190M, and shall comply with the requirements of RCW 82.02.070.

15. "Independent Fee Calculation" means the transportation impact fee calculation, and/or economic documentation prepared by a fee payer, to support the assessment of a transportation, parks or fire protection impact fee other than by the use of the rates published in the City's Fee Schedule published and on file with the City Clerk, or the calculations prepared by the department where none of the fee categories or fee amounts in the City's Fee Schedule published and on file with the City Clerk accurately describe or capture the impacts of the development activity on public facilities.

16. "Owner" means the owner of record of real property, although when real property is being purchased under a real estate contract, the purchaser shall be considered the owner of the real property if the contract is recorded.

17. "Parks" shall mean parks, open space, and recreation facilities including but not limited to land, improvements, and any furnishings and equipment that can be capitalized.

18. "Permit for change of use or change of use permit" means an official document which is issued by the City which authorizes a change of use of an existing building or structure or land.

19. "Project Improvements" means site improvements and facilities that are planned and designed to provide service for a particular development project, are necessary for the use and convenience of the occupants or users of the project, and are not system improvements. No improvement or facility included in a capital facilities plan adopted by the Council shall be considered a project improvement.

20. "Public Facilities", for purposes of this section, means the following capital facilities owned or operated by the City of Renton or other governmental entities: public streets and roads, public parks, open space and recreation facilities and fire protection facilities.

21. “Rate Study” means the “Rate Study for Impact Fees for Transportation, Parks and Fire Protection,” City of Renton, dated August 26, 2011, or as hereinafter amended.

22. “Street or Road” means a public right-of-way and all related appurtenances, including lawfully required off-site mitigation, which enables motor vehicles, transit vehicles, bicycles, and pedestrians to travel between destinations. For purposes of this section, public streets and roads are collectively referred to as “transportation.”

23. “System Improvements”, for purposes of this section, means public facilities that are included in the City of Renton's capital facilities plan, and such plan as amended, and are designed to provide service to the community at large, in contrast to project improvements.

24. “Transportation” means public streets and roads and related appurtenances.

E. ESTABLISHMENT OF SERVICE AREA:

1. The City hereby establishes, as the service area for impact fees, the City of Renton, including all property located within the corporate city limits.

2. The scope of the service area is hereby found to be reasonable and established on the basis of sound planning and engineering principles, and consistent with RCW 82.02.060, as described in the Rate Study.

F. IMPACT FEES METHODOLOGY AND APPLICABILITY:

The transportation impact fees in the City's Fee Schedule published and on file with the City Clerk are generated from the formulae for calculating transportation impact fees set forth in the Rate Study. Except as otherwise provided for independent fee calculations in subsection 4-1-190H, exemptions in subsection 4-1-190I, and credits in subsection 4-1-190J, all new development activity in the city will be charged impact fees applicable to the type of development listed in the City's Fee Schedule published and on file with the City Clerk.

G. COLLECTION OF IMPACT FEES:

1. The City shall collect impact fees, based on the rates in the City's Fee Schedule published and on file with the City Clerk, from any applicant seeking development approval from the City for any development activity within the City, when such development activity requires the issuance of a building permit or a permit for a change in use, and creates a demand for additional public facilities.

2. Maximum allowable impact fees are established by the Rate Study. The rates to be charged by the city are listed in the City's Fee Schedule published and on file with the City Clerk.

3. When an impact fee applies to a change of use permit, the impact fee shall be the applicable impact fee for the land use category of the new use, less any impact fee previously paid for the land use category of the prior use. For purposes of this provision, a change of use should be reviewed based on the

land use category provided in the Rate Study that best captures the broader use of the property under development. Changes in use or tenancy, if consistent with the general character of the building or building aggregations (i.e., “industrial park,” or “specialty retail”) should not be considered a change in use that is subject to an impact fee. Further, minor changes in tenancies that are consistent with the general character of the included structure, building, or previous use should not be considered changes in use subject to an impact fee. If no impact fee was paid for the prior use, the impact fee for the new use shall be reduced by an amount equal to the current impact fee rate for the prior use. Vacant buildings shall be assessed as if in the most recent legally established use as shown on a locally owned business license or development permit documents.

4. For mixed use developments, impact fees shall be imposed for the proportionate share of each land use, based on the applicable measurement in the impact fee rates in the City’s Fee Schedule published and on file with the City Clerk.

5. Impact fees shall be determined at the time the complete application for a building permit or a permit for a change in use is submitted using the impact fees then in effect. Impact fees shall be due and payable before the building permit or permit for a change of use is issued by the City.

6. Feepayers allowed credits prior to the submittal of the complete building permit application or an application for a permit for a change of use

shall submit, along with the complete application, a copy of the letter prepared by the Administrator setting forth the dollar amount of the credit allowed. Impact fees, as determined after the application of any credits, shall be collected from the feepayer no later than the time a building permit or permit for a change of use is issued.

7. A building permit applicant may defer payment of impact fees for a single detached dwelling unit, condominium unit, or all of the dwelling units in a multifamily residential building until the earlier of the seven (7) days after the date of the sale of a single detached dwelling unit, a condominium unit or a multifamily residential building or eighteen (18) months after issuance of the original building permit, but only if before issuance of the building permit, the applicant:

a. Submits to the Administrator a signed and notarized deferred impact fee application and acknowledgement form for each single detached dwelling unit, condominium unit or all of the dwelling units in a multifamily residential building for which the applicant wishes to defer payment of the impact fees;

b. Records at the applicant's expense a covenant and lien that:

i. requires payment of the impact fees to the City at the earlier of seven (7) days after the date of sale or eighteen (18) months after issuance of the original building permit;

ii. provides that if the impact fees are paid through escrow at closing of sale, in the absence of an agreement between the buyer and the seller to the contrary, the impact fees shall be paid from the seller's proceeds;

iii. provides that the seller bears strict liability for the payment of the impact fees;

iv. requires the seller or seller's agent of property subject to the covenant and lien to provide written disclosure of the covenant and lien to a purchaser or prospective purchaser. Disclosure of the covenant must include the amount of impact fees payable and that the fees are to be paid to the City on the date of sale; and

v. makes the applicant legally liable for payment of the impact fees if the fees are not paid by the earlier of seven (7) days after the date of sale or eighteen (18) months after the building permit has been issued.

8. Payment of impact fees deferred under this subsection shall be made by cash, escrow company check, cashier's check or certified check.

9. Upon receipt of payment of impact fees deferred under this subsection, the City shall execute a lien release for each single detached dwelling unit, condominium unit, or multifamily residential building for which the impact fees have been received. Unless an agreement to the contrary is reached between buyer and seller, the seller, at the seller's expense, shall be responsible for recording the lien release.

10. The Department shall not issue the required building or the permit for the change of use until the impact fees have been paid or the signed and notarized deferred impact fee application and acknowledgement form and deferral fee has been received and accepted by the City.

11. Not later than March 1, 2015, the Administrator shall report to the Council on the effect of subsection 4-1-190G.7. The report shall include information on the number of applications for deferral, the length of time of deferral, the amount of fees deferred, the number of fees and amount not paid as required, and any adverse impacts to the ability of the City to construct projects made necessary by new development. The report shall also include recommendations for changes to address deficiencies identified in the report.

H. INDEPENDENT FEE CALCULATIONS:

1. If, in the judgment of the Administrator, none of the fee categories or fee amounts set forth in the City's Fee Schedule published and on file with the City Clerk accurately describes or captures the impacts of a new development on public facilities, the Department may conduct independent fee calculations and the Administrator may impose alternative fees on a specific development based on those calculations. The alternative fees and the calculations shall be set forth in writing and shall be mailed to the feepayer.

2. A feepayer may opt not to have the impact fees determined according to the fee structure in the City's Fee Schedule published and on file with the City Clerk, in which case the feepayer shall prepare and submit to the

Administrator an independent fee calculation for the development activity for which a building permit is being sought. The documentation submitted shall show the basis upon which the independent fee calculation was made. An independent fee calculation shall use the same methodology used to establish impact fees adopted pursuant to the City's Fee Schedule published and on file with the City Clerk, shall be limited to adjustments in trip generation rates and lengths for transportation impact fees, persons per dwelling unit for park impact fees, and fire incident rates for fire impact fees.

3. There is a rebuttable presumption that the calculations set forth in the Rate Study are valid. The Administrator shall consider the documentation submitted by the feepayer, but is not required to accept such documentation or analysis which the Administrator reasonably deems to be inapplicable, inaccurate, incomplete, or unreliable. The Administrator may require the feepayer to submit additional or different documentation for consideration. The Administrator is authorized to adjust the impact fees on a case-by-case basis based on the independent fee calculation, the specific characteristics of the development, and/or principles of fairness. The fees or alternative fees and the calculations therefore shall be set forth in writing and shall be mailed to the feepayer.

4. Alternative impact fees calculated pursuant to this subsection shall be phased and reduced in the same manner and to the same extent that the impact

fees in the City's Fee Schedule published and on file with the City Clerk are phased and reduced from the maximum allowable impact fees in the Rate Study.

5. Determinations made by the Administrator pursuant to this section may be appealed to the office of the Hearing Examiner under the procedures set forth in subsection 4-1-190L.

I. EXEMPTIONS:

1. Except as provided for below, the following shall be exempted from the payment of all transportation, parks, and fire impact fees:

a. Alteration or replacement of an existing residential structure that does not create an additional dwelling unit or change the type of dwelling unit.

b. Alteration or replacement of an existing nonresidential structure that does not expand the usable space or change the existing land use.

c. Miscellaneous improvements which do not generate increased need for public facilities, including, but not limited to, fences, walls, residential swimming pools, and signs.

d. Demolition or moving of a structure.

e. Properties that have undergone prior State Environmental Policy Act (SEPA) review and received a final decision that includes mitigation requirements on the condition that the SEPA mitigation obligation has or will be fulfilled by the time the impact fees, if applicable, would be due.

f. Low-income housing that qualifies for waived fees under the provisions of RMC 4-1-120.

g. Temporary manufactured homes for medical hardships that meet the criteria identified in RMC 4-2-240.

2. The Administrator shall be authorized to determine whether a particular development activity falls within an exemption identified in this section. The Administrator's determinations shall be in writing and shall be subject to the appeals procedures set forth in subsection 4-1-190L.

J. CREDITS FOR DEDICATIONS, CONSTRUCTION OF IMPROVEMENTS, AND PAST TAX PAYMENTS:

1. A feepayer may request that a credit or credits for impact fees be awarded to him/her for the total value of system improvements, including dedications of land and improvements, and/or construction provided by the feepayer. Credits will be given only if the land, improvements, and/or the facility constructed are:

a. Included within the capital facilities plan or would serve the goals and objectives of the capital facilities plan;

b. Determined by the City to be at suitable sites and constructed at acceptable quality;

c. Serve to offset impacts of the feepayer's development activity; and

d. Are for one (1) or more of the projects listed in the Rate Study as the basis for calculating the transportation impact fee.

2. For credits for dedications:

a. The Administrator shall determine if requests for credits meet the criteria in subsection 1, above, or other applicable law. The Administrator's determinations shall be in writing and shall be subject to the appeals procedure set forth in subsection 4-1-190L.

b. For each request for a credit or credits, the Administrator shall select an appraiser or, in the alternative, the feepayer may select an independent appraiser acceptable to the Administrator.

c. Unless approved otherwise by the Administrator, the appraiser must be a Member of the American Institute of Appraisers and be licensed in good standing pursuant under RCW 18.40 et.seq., in the category for the property or improvement to be appraised, and shall not have a fiduciary or personal interest in the property being appraised.

d. The Administrator will accept or reject the appraisal and the decision may be subject to independent review by the Hearing Examiner.

e. The feepayer shall pay the actual costs for the appraisal and an independent review, if required, unless the Administrator determines that payment for independent review should not be at the feepayer's expense.

f. After considering the appraisal and the review, the Administrator shall provide the applicant with a written determination setting

forth the dollar amount of any credit, the reason for the credit, the legal description of the real property dedicated where applicable, and the legal description or other adequate description of the project or development to which the credit may be applied. The feepayer must sign and date a duplicate copy of such determination accepting the terms of the letter or certificate, and return such signed document to the Administrator before the impact fee credit will be awarded. The failure of the feepayer to sign, date, and return such document within sixty (60) calendar days of the date of the determination shall nullify the credit.

g. No credit shall be given for project improvements.

3. A feepayer may request a credit or credits for impact fees previously awarded for past tax payments. For each request for a credit or credits for past tax payments for transportation impact fees, the feepayer shall submit receipts and a calculation of past tax payments earmarked for or proratable to the particular system improvement for which credit is requested. The Administrator shall determine the amount of credits, if any, for past tax payments for system improvements.

4. The Administrator's determinations pursuant to this section shall be subject to the appeals procedures set forth in subsection 4-1-190L.

K. ADJUSTMENTS FOR FUTURE TAX PAYMENTS AND OTHER REVENUE

SOURCES:

Pursuant to and consistent with the requirements of RCW 82.02.060, the Rate Study has provided adjustments for future taxes to be paid by the development activity which are earmarked or proratable to the same new public facilities which will serve the new development. The impact fees in the City's Fee Schedule published and on file with the City Clerk have been reasonably adjusted for taxes and other revenue sources which are anticipated to be available to fund public improvements.

L. APPEALS:

1. The Administrator's determinations with respect to the applicability of the impact fees to a given development activity, the availability or value of a credit, the Administrator's decision concerning the independent fee calculation which is authorized in subsection 4-1-190H, or any other Administrator's determination pursuant to this section may be appealed by the feepayer to the provisions of RMC 4-8-110E. No building or change of use permits will be issued until the impact fee is paid or the or the signed and notarized deferred impact fee application and acknowledgement form and deferral fee has been received and accepted by the City; provided, however, that the feepayer may pay the fee under protest pending appeal to avoid delays in the issuance of building permits or change of use permits.

2. Appeals to the Hearing Examiner shall be taken in accord with the processes set forth in RMC 4-8-110E.

3. The Hearing Examiner is authorized to make findings of fact regarding the applicability of the impact fees to a given development activity, the availability or amount of the credit, or the accuracy or applicability of an independent fee calculation. There is a presumption of validity of the Administrator's determination. The feepayer has the burden of proof during any appeal of the Administrator's determination or decision.

4. The Hearing Examiner may, so long as such action is in conformance with the provisions of this section, reverse, affirm, modify or remand, in whole or in part, the Administrator's determinations with respect to the amount of the impact fees imposed or the credit awarded.

M. ESTABLISHMENT OF IMPACT FEE ACCOUNTS:

1. The City shall establish separate impact fee accounts for the transportation, parks and fire protection impact fees collected pursuant to this section. Funds withdrawn from the accounts must be used in accordance with the provisions of this section and applicable state law. Interest earned on the fees shall be retained in the accounts and expended for the purposes for which the impact fees were collected.

2. Impact fee receipts shall be earmarked specifically and deposited in the appropriate interest-bearing impact fee accounts.

3. Impact fees shall be expended or encumbered within ten (10) years of receipt, unless the Council identifies in written findings extraordinary and

compelling reasons for the City to hold the fees beyond the ten (10) year period, pursuant to RCW 82.02.070(3).

N. ADMINISTRATIVE GUIDELINES:

The Administrator is authorized to adopt internal guidelines for the administration of impact fees, which may include the adoption of procedural rules to clarify or further the procedural rules set forth in this section.

O. REFUNDS AND OFFSETS:

1. If the City fails to expend or encumber the impact fees within ten (10) years of the date the fees were paid, unless extraordinary or compelling reasons are established pursuant to subsection 4-1-190M, the current owner of the property on which impact fees have been paid may receive a refund of such fees. In determining whether impact fees have been expended or encumbered, impact fees shall be considered expended or encumbered on a first in, first out basis.

2. The City shall notify potential claimants by first-class mail deposited with the United States Postal Service at the last known address of such claimants. A potential claimant must be the current owner of record of the real property against which the impact fees were assessed.

3. Owners seeking a refund of impact fees must submit a written request for a refund of the fees to the Administrator within one (1) year of the date the right to claim the refund arises or the date that notice is given, whichever is later.

4. Any impact fees for which no application for a refund has been made within this one (1) year period shall be retained by the City and expended on the system improvements for which they were collected.

5. Refunds of impact fees under this subsection shall include any interest earned on the impact fees by the City.

6. When the City seeks to terminate any or all components of the impact fee program, all unexpended or unencumbered funds from any terminated component or components, including interest earned, shall be refunded pursuant to this section. Upon the finding that any or all fee requirements are to be terminated, the City shall place notice of such termination and the availability of refunds in a newspaper of general circulation at least two (2) times and shall notify all potential claimants by first-class mail at the last known address of the claimants. All funds available for refund shall be retained for a period of one (1) year. At the end of one (1) year, any remaining funds shall be retained by the City, but must be expended for the public facilities for which the impact fees were collected. This notice requirement shall not apply if there are no unexpended or unencumbered balances within the account or accounts being terminated.

7. The City shall also refund to the current owner of property for which impact fees have been paid all impact fees paid, including interest earned on the impact fees, if the development activity for which the impact fees were imposed did not occur; provided, however, that, if the City has expended or encumbered

the impact fees in good faith prior to the application for a refund, the Administrator may decline to provide the refund. If within a period of three (3) years, the same or subsequent owner of the property proceeds with the same or substantially similar development activity, the owner can petition the Administrator for an offset in the amount of the fee originally paid and not refunded. The petitioner must provide receipts of impact fees previously paid for a development activity of the same or substantially similar nature on the same real property or some portion thereof. The Administrator 's determinations shall be in writing and shall be subject to the appeals procedures set forth in subsection 4-1-190L.

P. USE OF IMPACT FEES:

1. Pursuant to this section, impact fees:
 - a. Shall be used for system improvements that will reasonably benefit the new development activity;
 - b. Shall not be imposed to make up for deficiencies in public facilities; and
 - c. Shall not be used for maintenance or operation.
2. Impact fees may be spent for system improvements to public streets and roads, public parks, open space and recreation facilities and fire protection facilities as herein defined and, including, but not limited to, planning, land acquisition, right-of-way acquisition, site improvements, necessary off-site improvements, construction, engineering, architectural, permitting, financing,

and administrative expenses, applicable impact fees or mitigation costs, and any other expenses which can be capitalized.

3. Impact fees may also be used to recoup system improvement costs previously incurred by the City to the extent that new growth and development will be served by the previously constructed improvements or incurred costs.

4. In the event that bonds or similar debt instruments are or have been issued for the advanced provision of system improvements for which impact fees may be expended, such impact fees may be used to pay debt service on such bonds or similar debt instruments to the extent that the facilities or improvements provided are consistent with the requirements of this section.

Q. REVIEW AND ADJUSTMENT OF RATES:

1. The fees and rates set forth in the Rate Study may be reviewed and adjusted by the Council as it deems necessary and appropriate in conjunction with the annual budget process so that adjustments, if any, will be effective at the first of the calendar year subsequent to budget period under review.

2. As part of the budget adoption process, the fees shall be adjusted by the same percentage change as in the most recent annual change of the Construction Cost Index published in the Engineering News Record.

R. ADMINISTRATIVE FEES:

1. Each application for a deferral of payment of residential impact fees shall pay a nonrefundable administrative deferral fee of eighty-five dollars (\$85.00) for each single detached dwelling unit or condominium unit and eighty-

five dollars (\$85.00) for each multifamily residential building. The fee shall be paid at the time the application for deferral is submitted to the City.

2. Any feepayer submitting an independent fee calculation shall pay a fee to cover the cost of reviewing the independent fee calculation. The fee shall be five hundred dollars (\$500.00), unless otherwise established by the Administrator, and shall be paid by the feepayer prior to issuance of the Administrator's determination.

3. Any feepayer filing an appeal of impact fees shall pay the fee set by the City for appeals of administrative interpretations and decision. The appeal fee shall be paid at the time of filing of the appeal.

4. Administrative fees shall be deposited into a separate administrative fee account within the impact fee account(s). Administrative fees shall be used to defray the City's actual costs associated with the assessment, collection, administration and update of the impact fees.

5. Administrative fees shall not be refundable, shall not be waived, and shall not be credited against the impact fees.

S. EXISTING AUTHORITY UNIMPAIRED:

Nothing in this section shall preclude the City from requiring the feepayer or the proponent of a development activity to mitigate adverse environmental impacts of a specific development pursuant to the SEPA, Chapter 43.21C RCW, based on the environmental documents accompanying the underlying development approval process, and/or Chapter 58.17 RCW, governing plats and

subdivisions. Compliance with this section and/or payment of fees under this section shall not constitute evidence of a determination of transportation concurrency.

SECTION II. Impact fees collected by the City of Renton shall be collected at a rate that is reduced from the amounts identified in the Rate Study for Impact Fees for Transportation, Parks and Fire Protection, City of Renton, dated August 26, 2011, attached as Exhibit 1. Rate amounts shall be collected as follows:

- A. Fees associated with Transportation impacts, at 33.3% of the Rate Study amount.
- B. Fees associated with Parks impacts, at 66.7% of the Rate Study amount.
- C. Fees associated with Fire Protection impacts, 66.7% of the Rate Study amount.

These rate amounts shall be phased in over a four (4) year period until they have reached the full reduced amount, as indicated above. This phase in is to begin on January 1, 2013, with annual adjustments occurring on January 1 of each year until 2016. The fee amounts and schedule are attached as Exhibit 2.

SECTION III. If any portion of this section is found to be invalid or unenforceable for any reason, such finding shall not affect the validity or enforceability of any Chapter or any other section of this Title.

SECTION IV. This ordinance shall be effective January 1, 2013.

PASSED BY THE CITY COUNCIL this _____ day of _____, 2012.

Bonnie I. Walton, City Clerk

APPROVED BY THE MAYOR this _____ day of _____, 2012.

Denis Law, Mayor

Approved as to form:

Lawrence J. Warren, City Attorney

Date of Publication: _____

ORD:1753:7/27/12:scr

DRAFT

Phase-in Schedule and Impact Fee Rates

Transportation Impact Fees by Land Use

(Fee rates listed here do not reflect annual Construction Cost Index adjustments or Council adjustments.)

<i>Land Use Category</i>	<i>Unit of Measure</i>	<i>Fee Until 12/31/2012</i>	<i>01/01/2013 Base Fee</i>	<i>01/01/2014 Base Fee</i>	<i>01/01/2015 Base Fee</i>	<i>01/01/2016 Base Fee</i>
Light Industrial	per sq ft	\$0.52	no change	\$1.54	\$2.55	\$3.57
Manufacturing	per sq ft	\$0.29	no change	\$1.09	\$1.89	\$2.69
Mini-warehouse	per sq ft	\$0.12	no change	\$0.40	\$0.68	\$0.96
Single family house	per dwelling	\$717.75	no change	\$1,430.72	\$2,143.70	\$2,856.89
Apartment	per dwelling	\$498.75	no change	\$953.25	\$1,407.74	\$1,862.37
Condominium	per dwelling	\$435.75	no change	\$789.44	\$1,143.12	\$1,496.91
Mobile home	per dwelling	\$374.25	no change	\$786.06	\$1,197.87	\$1,609.80
Senior housing - attached	per dwelling	\$278.25	no change	\$309.65	\$341.06	\$372.47
Hotel	per room	\$612.75	no change	\$1,038.59	\$1,464.44	\$1,890.41
Motel	per room	\$422.25	no change	\$783.44	\$1,144.62	\$1,505.92
Marina	per boat berth	\$222.00	no change	\$301.77	\$381.54	\$461.34
Movie theater	per sq ft	\$0.29	no change	\$2.16	\$4.03	\$5.90
Health/fitness club	per sq ft	\$2.47	no change	\$3.86	\$5.24	\$6.63
High school	per sq ft	\$0.97	no change	\$1.29	\$1.62	\$1.94
Church	per sq ft	\$0.68	no change	\$1.00	\$1.33	\$1.65
Hospital	per sq ft	\$1.24	no change	\$1.80	\$2.36	\$2.92
Nursing home	per bed	\$177.75	no change	\$278.19	\$378.64	\$479.11
General office	per sq ft	\$0.83	no change	\$2.20	\$3.57	\$4.94
Medical office	per sq ft	\$2.71	no change	\$4.84	\$6.97	\$9.09
Shopping center	per sq ft	\$3.22	no change	no change	no change	no change
Restaurant: sit-down	per sq ft	\$9.54	no change	\$10.10	\$10.65	\$11.21
Fast food, no drive-up	per sq ft	\$32.90	\$21.93	no change	no change	no change
Fast food, w/ drive-up	per sq ft	\$37.20	\$26.78	no change	no change	no change
Gas station	per pump	\$12,642.00	\$7,777.11	no change	no change	no change
Gas station w/ convenience	per pump	\$12,208.50	\$8,314.34	no change	no change	no change
Supermarket	per sq ft	\$7.67	no change	\$8.93	\$10.19	\$11.45
Convenience market-24 hr	per sq ft	\$55.35	\$25.98	no change	no change	no change
Drive-in bank	per sq ft	\$11.11	no change	\$12.98	\$14.84	\$16.71

Park Impact Fees by Land Use

(Fee rates listed here do not reflect annual Construction Cost Index adjustments or Council adjustments.)

<i>Land Use Category</i>	<i>Unit of Measure</i>	<i>Fee Until 12/31/2012</i>	<i>01/01/2013 Fee</i>	<i>01/01/2014 Fee</i>	<i>01/01/2015 Fee</i>	<i>01/01/2016 Fee</i>
Single family	per dwelling unit	\$530.76	no change	\$963.01	\$1,395.25	\$1,827.63
Multi-family: 2 units	per dwelling unit	\$530.76	no change	\$848.34	\$1,165.92	\$1,483.60
Multi-family: 3 or 4 units	per dwelling unit	\$354.51	no change	\$706.95	\$1,059.39	\$1,411.93
Multi-family: 5 or more units	per dwelling unit	\$354.51	no change	\$649.62	\$944.72	\$1,239.92
Mobile home	per dwelling unit	\$354.51	no change	\$668.73	\$982.94	\$1,297.25

Phase-in Schedule and Impact Fee Rates

Fire Impact Fees by Land Use

(Fee rates listed here do not reflect annual Construction Cost Index adjustments or Council adjustments.)

<i>Land Use Category</i>	<i>Unit of Measure</i>	<i>Fee Until 12/31/2012</i>	<i>01/01/2013 Fee</i>	<i>01/01/2014 Fee</i>	<i>01/01/2015 Fee</i>	<i>01/01/2016 Fee</i>
Residential - single family	per dwelling unit	\$488.00	\$479.28	no change	no change	no change
Residential - multi-family	per dwelling unit	\$388.00	no change	\$418.42	\$448.85	\$479.28
Hotel/motel/resort	per sq ft	\$0.52	no change	\$0.56	\$0.59	\$0.63
Medical care facility	per sq ft	\$0.52	no change	\$2.14	\$3.76	\$5.38
Office	per sq ft	\$0.52	\$0.14	no change	no change	no change
Medical/dental office	per sq ft	\$0.52	no change	\$0.63	\$0.73	\$0.84
Retail	per sq ft	\$0.52	no change	\$0.54	\$0.56	\$0.59
Leisure facilities	per sq ft	\$0.52	no change	\$0.79	\$1.05	\$1.32
Restaurant/lounge	per sq ft	\$0.52	no change	\$0.94	\$1.36	\$1.78
Industrial/manufacturing	per sq ft	\$0.52	\$0.08	no change	no change	no change
Church/non-profit	per sq ft	\$0.52	\$0.24	no change	no change	no change
Education	per sq ft	\$0.52	\$0.44	no change	no change	no change
Special public facilities	per sq ft	\$0.52	no change	\$1.42	\$2.32	\$3.22